

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1472 – SB 2424

February 17, 2018

SUMMARY OF BILL: Increases the number of cities and counties with the authority to levy a local option transit surcharge in conjunction with an adopted transit improvement program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Permissive recurring increases in local revenue and permissive recurring increases in local expenditures. The extent and timing of any such permissive impacts cannot be determined because such impacts are dependent upon several unknown factors. However, local revenue increases are anticipated to exceed local expenditure increases.

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-4-3202, certain local governments may levy a surcharge on the same privileges subject to the taxes listed in § 67-4-3202(a)(1)-(6), which could result in a significant fiscal impact to local government. Local revenue could increase as a result of additional surcharges imposed on taxpayers. Local expenditures could increase as a result of additional referendum costs and additional tax enforcement and administration requirements.
- Due to multiple unknown factors, such as the number of local governments that will elect to levy a surcharge, the timing of any such levy, the type and magnitude of levied surcharges, and the taxable base for any surcharge, a precise fiscal estimate cannot be determined with reasonable certainty.
- Any permissive increase in local revenue derived from additional surcharges levied is anticipated to exceed any permissive increase in local expenditures incurred for administration because it is assumed that no county or city would levy such a surcharge if they believed administrative costs were going to exceed any revenue collected.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb